DIRECTORATE OF DISTANCE EDUCATION
NALSAR UNIVERSITY OF LAW, HYDERABAD

M.A. (CORPORATE LAW)

Academic Year: 2024-2025

Third Semester - End Semester Examination (December, 2024)

2.3.8. Law of Taxation

Duration of the Examination: 2 ½ hours **Total Marks: 70 marks**

INSTRUCTIONS TO CANDIDATES

a) Read the instructions carefully and adhere to the same.
b) Please mention your DDE ID No. date of the exam, name of the programme & subject on the Answer Sheet and the Additional Answer Sheets, if any.
c) The questions to be interpreted as given and no clarification can be sought from the Invigilator.
d) Clearly indicate the question numbers while answering them. Answers without question numbers / wrong question numbers will not be evaluated.
e) Write the answers clearly and neatly. Answers in illegible handwriting will not be taken into consideration.
f) Candidates are prohibited to carry phones or any other electronic devices, books, material etc. in the Examination Hall.
g) Copying is strictly prohibited and is considered as a serious academic mis-conduct and the University will take action as it deems fit.

<u>Section – A</u>

Answer FIVE questions out of SEVEN questions and each question carries 10 marks. (5x10 Marks = 50 Marks)

1. How do the terms "levy" and "collect" differ in the context of taxation, and what are the legal implications of each term in terms of authority, process, and responsibility?

2. "No taxation can be levied or collected except with the authority of law." Examine this statement in light of the provisions of the Indian Constitution, discussing its influence on taxation laws, the principles of legality, and the safeguards provided under the Constitution to ensure that taxes are imposed and collected in a lawful manner.

3. “Tax is not a payment for services rendered." Analyze and critically comment on this statement, providing a detailed discussion of the Shrirur Mutt case and its implications.

4. Compare and contrast tax avoidance and tax evasion, and also discuss the implications of each on taxpayers and the economy.

5. Examine the following concepts with illustration:
   a. Input Tax Credit
   b. Reverse Charge

6. How does the Fairness Doctrine apply to taxing statutes, and in what ways does it influence the formulation and enforcement of tax laws.

7. Discuss the concept of capital gains as a major head of income under the Income Tax Act, 1961. Explain in detail the classification of capital gains into short-term and long-term categories, their respective tax treatment, and the exemptions available under various provisions of the Act.

Section – B

Answer FOUR questions out of SIX questions and each question carries 05 marks. (4x5 Marks =20 Marks)

A. “Two persons with same income can choose to pay income tax at different rates.” Discuss.

B. How are taxes and fees treated differently under the law, and what distinguishes their purpose and nature?

C. What are perquisites? Evaluate the circumstances under which perquisites provided by an employer to an employee are subject to taxation under the Income Tax Act, 1961.

D. Explain the concept of residential status of persons for the purposes of IT Act.

E. Discuss the tax treatment of
   a. Pension
   b. HRA
   c. Gratuity

F. What is business? Explain the tax treatment of income from profit and gains of business or profession.